

OFFICE OF THE  
**LEGISLATIVE  
FISCAL  
ANALYST**

JONATHAN C. BALL  
DIRECTOR

**MEMORANDUM FOR EXECUTIVE APPROPRIATIONS COMMITTEE**

**FROM:** Steven Allred

**DATE:** September 14, 2021

**SUBJECT:** Department of Workforce Services Excess Collections Report

The Budgetary Procedures Act (UCA 63J-1) defines “Expendable Receipts” as collections by an agency for expenditures that are limited by a nonstate entity that provides the funds. Further, statute states:

- Each agency may expend expendable receipts in accordance with the terms set by a nonstate entity that provides the funds.
- Expendable receipts are not limited by appropriations.
- Each agency that receives expendable receipts revenue greater than the amount included for a line item by the Legislature in the annual appropriations acts may expend the excess if the expenditure is included in a revised budget execution plan.
- If an agency receives excess expendable receipts revenue that is more than 25% greater than the amount included for a line item by the Legislature in the annual appropriations acts, the agency shall report the excess amount, the source of the expendable receipts, and the purpose for which the expendable receipts will be expended to the Governor's Office of Planning and Budget, the legislative fiscal analyst, and the Executive Appropriations Committee within 60 days of submitting a revised budget execution plan

The Department of Workforce Services reports, “During the 2021 General Session, DWS, Housing and Community Development (NSAA) was appropriated \$51,400,000 in Dedicated Credits related to the Federal Consolidated Appropriations Act for the Emergency Rental Assistance Program (ERA). Several local governments received funding for this program and have contracted with DWS to run a single, state-wide program. In doing so, DWS becomes a subrecipient of federal grant funds. In order to properly record these revenues in our accounting records and present them in the State’s Schedule of Expenditures of Federal Awards (SEFA), State Finance has asked us to use a code specified for Expendable Receipts. After reviewing the definition of an Expendable Receipt found in Section 63J-1-102-5, we believe these funds would meet that definition. We sought guidance from the Legislative Fiscal Analyst regarding this situation and we have been directed to use the Expendable Receipts authority already present in the Housing and Community Development line item.

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“As a result of this evaluation process, we also identified several much smaller contracts we hold with the states of Minnesota and Colorado in which we are considered a subrecipient of federal grant funds. These contracts are to develop and maintain systems as required under the U.S. Department of Labor’s Employment and Training Administration (ETA). We have received Dedicated Credit authority for these contracts, but to properly report and be consistent with like funding, we also believe these should be classified as Expendable Receipts.

“In applying the guidance received from the Legislative Fiscal Analyst as noted above, we will exceed our Expendable Receipts authority by more than 25% in both the Housing and Community Development (NSAA) and Operations and Policy (NJBA) line items. In order to comply with Section 63J-1-105(10)(c) which states, ‘If an agency receives excess expendable receipts revenue that is more than 25% greater than the amount included for a line item by the Legislature in the annual appropriations acts, the agency shall report the excess amount, the source of the expendable receipts, and the purpose for which the expendable receipts will be expended to the Governor’s Office of Planning and Budget, the legislative fiscal analyst, and the Executive Appropriations Committee within 60 days of submitting a revised budget execution plan as provided in Section 63J-1-209,’ we have completed a revised budget execution plan for the ERA Program to reduce our expected amount of Dedicated Credits in NSAA by \$51,400,000 and increase our expected Expendable Receipts by the same amount and we will complete a revised budget execution plan for the ETA contracts as soon as a more definitive amount can be determined (we expect the excess Expendable Receipts above our existing authority to be \$1,000,000 or less). This communication is intended to fulfill the reporting requirement of that Section, including reporting to the Executive Appropriations Committee as deemed necessary by the Legislative Fiscal Analyst.”